

INFORMATION LETTER

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NATIONAL CANNERS ASSOCIATION

For Members
Only

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October 12, 1957

Arthur C. Nielsen, Research Specialist, Chosen To Keynote Marketing Session at N.C.A. Convention

Arthur C. Nielsen, Jr., president of the A. C. Nielsen Company, will keynote the Marketing Session of the N.C.A. Convention, Tuesday morning, January 21, in Atlantic City. Mr. Nielsen will review the general food marketing situation in the light of current buying trends among American consumers with special emphasis on the economic position of the canned foods industry. He will share the platform with a trio of specialists in other phases of food marketing.

As keynote speaker Mr. Nielsen is expected to set a lively tone for the entire marketing session. The youthful top executive, first hailed as Wisconsin University's outstanding graduate in 1941, has been attracting wide attention since taking over the reins of the complex research organization established by his father, A. C. Nielsen, Sr.

In recent years he has acted as marketing consultant to the U. S. government on a number of major European projects, working closely with foreign economic representatives on methods of improving marketing operations and raising the standard of living of their nationals. In 1955, Mr. Nielsen journeyed to Japan as a member of a four-man team of American businessmen to take part in a management seminar under the auspices of the Japanese Productivity Center.

In preparation for his current position, Mr. Nielsen served in the Field and Client Service Departments of his company and played a major role in establishing Nielsen operations in Canada, England, Holland, Belgium, Germany, Switzerland, Australia and New Zealand. Presently employing a staff of more than 3,000 field workers, the Nielsen Company has been engaged in the business of taking the nation's pulse since 1923. Its analysts and interpreters gather vital information for all segments of the business community. Numbered among its more than 200 clients are the three major networks, CBS, NBC, and ABC; General Motors; Standard

(Please turn to page 319)

Poultry Inspection Regulations Discussed at USDA Meeting

The first of a series of public meetings for discussion of proposed regulations under the Poultry Products Inspection Act was held by the Poultry Division of USDA's Agricultural Marketing Service in Washington October 7.

Representatives of the N.C.A. attended the meeting for the purpose of being informed of any provision of the regulation which might affect canners who pack poultry products.

The proposed regulations for the poultry inspection program were explained in detail by AMS officials, and an open discussion was held with the state and industry representatives present. In large part, the proposed regulations parallel the regulations in force under the voluntary inspection program. In a discussion of the Poultry Products Inspection Act itself, it was pointed out that its provisions and wording are patterned after the Federal Food, Drug, and Cosmetic Act and the Meat Inspection Act.

The section pertaining directly to canning, section 64 of the proposed regulations, has not been changed significantly from the canning requirements of the regulations under the voluntary inspection program. Some additions have been made to the labeling requirements, but it would appear that canners who have been operating under the voluntary inspection program would not be materially affected.

After completion of the series of meetings planned for this month, a revised version of the proposed regulations will be submitted for comment to parties who have shown interest. Following receipt of com-

ments on the revised version of the regulations, USDA will publish a final version, about December 1. Important sections of this proposal will be published in the INFORMATION LETTER.

Copies of the proposed regulations may be obtained from the Inspection Branch, Poultry Division, Agricultural Marketing Service, U. S. Department of Agriculture, Washington 25, D. C. Copies were mailed by N.C.A. this week to members known to can poultry products.

Under the Act, establishments which dress poultry or manufacture products containing edible poultry ingredients are subject to mandatory inspection effective January 1, 1959. Packers may apply for inspection under the provisions of the Act commencing January 1, 1958. Packers desiring to be covered by this inspection in 1958 should apply for such inspection immediately.

Change in Wage-Hour Rules Proposed by Labor Dept.

The Department of Labor has published in the *Federal Register* of October 9 a proposal to amend the regulations under section 7(b)(3) of the Fair Labor Standards Act.

This section of the Act permits an employer in a seasonal industry to work employees up to 12 hours a day or 56 hours a week for 14 weeks a year without paying them overtime, and provides that the Wage-Hour Administrator shall determine whether a particular industry is seasonal in nature.

Pursuant to regulations setting out a procedure for making a seasonal determination, the Administrator declared in 1940 that the canning or first processing of perishable or seasonal fresh fruits or vegetables was a seasonal industry within section 7(b)(3).

The Administrator's published notice proposes two amendments to the regulations that establish the procedure for making a seasonal determination. The effect of these proposed amendments is now under study by N.C.A. Counsel.

The text of the Administrator's notice is reproduced on page 320.

Vegetables for Processing —Indicated Production

Improvement in 1957 production prospects for sweet corn, green lima beans and kraut cabbage (on contract acreage) during September compensated for less favorable outlook for tomatoes, green peas, and beets for processing, according to the Crop Reporting Board of USDA.

For the eight crops for which estimates are available, the 1957 prospective tonnage on October 1 totaled 6.23 million tons, about the same as the 6.28 million tons forecast a month earlier. The prospective 1957 production is about 19 percent below the 1956 production but 12 percent above average.

TOMATOES

The present forecast indicates a crop of 3,384,500 tons, about one-fourth less than the record large 1956 crop but 7 percent above average. The forecast on October 1 conditions is about 2 percent less than that of September 1.

Reduced yield prospects in Indiana, Illinois, Michigan, Iowa, Missouri, Maryland, and Colorado more than offset improved yields in New York, New Jersey, Wisconsin, Delaware, and Kentucky.

State	10-year ave. 1940-55 (tons)	1956 (tons)	1957 Indi- cated (tons)	Per- cent change from 1956
N. Y....	163,600	88,400	113,900	+29
N. J....	220,100	306,200	173,600	-57
Pa.....	162,100	203,300	141,400	-30
Ohio....	190,000	212,000	170,500	-20
Ind....	319,200	348,800	213,500	-39
Ill....	90,200	141,000	102,000	-28
Mich....	57,400	67,000	57,800	-14
Wis....	8,400	9,000	6,800	-24
Iowa....	9,900	15,100	11,200	-26
Mo....	12,200	3,200	3,000	-6
Del....	33,500	43,200	21,900	-50
Md....	156,400	104,000	46,800	-55
Va....	70,300	58,900	41,900	-29
S. C....	3,000	3,500	3,600	+3
Fla. ¹	26,700	40,450	42,000	-15
Ky....	6,800	4,900	3,800	-23
Tenn....	6,500	800	1,000	+25
Ark....	17,200	8,300	6,200	-25
Okla....	2,500	500	600	+20
Texas..	51,800	26,400	25,200	-5
Colo....	24,400	37,100	19,600	-47
Utah....	74,100	85,000	78,000	-8
Calif. ² ...	1,444,800	2,772,400	2,091,000	-25
Other states ³ ..	11,700	12,000	9,400	-22
U. S. Total..	3,162,700	4,600,350	3,384,500	-26

¹ Sum of estimates by seasonal groups.

² Ala., Ariz., Conn., Idaho, Kans., La., Minn., Miss., Neb., N. M., N. C., Ore., Wash., and W. Va.

SWEET CORN

Unharvested fields of sweet corn in the important Northeast, in Iowa and several other scattered states improved during September, and the total United States production for canning and freezing was forecast at 1,474,900 tons. This is 13 percent less than last year's production but 15 percent above average. Only a few scattered fields remained to be harvested after October 1, USDA said.

State	10-year ave. 1946-55 (tons)	1956 (tons)	1957 Indi- cated (tons)	Per- cent change from 1956
Maine...	26,700	10,500	22,000	+110
N. H....	1,800	900	2,300	+156
Vt....	2,000	900	1,900	+111
N. Y....	65,700	58,300	72,000	+23
Pa.....	26,400	44,900	20,900	-53
Ohio....	37,400	20,500	18,800	-8
Ind....	56,700	40,000	42,500	+6
Ill....	185,100	250,800	216,000	-14
Wis....	257,200	401,800	330,000	-18
Minn....	254,600	389,200	355,200	-9
Iowa....	72,700	72,400	61,200	-15
Del....	11,900	18,900	9,800	-48
Md....	80,700	96,700	45,700	-53
Idaho...	39,800	54,900	58,000	+6
Utah....	22,700	22,100	22,500	+2
Wash....	59,400	72,500	85,200	+18
Ore....	51,900	58,400	76,500	+13
Other states ¹ ..	35,400	40,300	34,400	-30
U. S. Total..	1,287,800	1,093,000	1,474,900	-13

¹ Ark., Calif., Colo., La., Mich., Mont., Neb., N. J., Okla., S. D., Tenn., Texas, Va., and Wyo.

BEETS

Production prospects for beets for canning declined about 8 percent during September, and the tonnage indicated on October 1 is 150,770 tons, 25 percent less than the 1956 tonnage of 200,100 tons but 8 percent more than the 10-year average production.

Yields on October 1 were indicated below 1956 in all important states except Michigan, and below average in all states except Michigan and Oregon.

State	10-year ave. 1946-55 (tons)	1956 (tons)	1957 Indi- cated (tons)	Per- cent change from 1956
N. Y....	38,500	50,600	39,100	-23
Mich....	7,000	5,100	5,400	+6
Wis....	53,800	79,400	54,400	-31
Ore....	17,900	26,400	26,400	...
Other states ¹ ..	21,900	38,600	25,470	-34
U. S. Total.	139,100	200,100	150,770	-25

¹ Calif., Colo., Del., Ill., Ind., La., Maine, Md., Minn., N. J., Ohio, Okla., Pa., Tenn., Texas, Utah, and Wash.

Deciduous Fruit Production

Estimated total production of deciduous fruits as of October 1 remained unchanged from a month earlier and is expected to be 2 percent below last year and 8 percent below average, according to the Crop Reporting Board of USDA.

Estimated production of apples and peaches increased during September. Late August and September rains were beneficial, particularly in the eastern part of the country where sizing of apples improved.

Crop	1956	Sept. 1 1957	Oct. 1 1957
(thousands of bushels)			
Apples.....	100,633	111,362	113,372
Peaches.....	69,859	62,646	62,741
Pears.....	32,322	33,069	32,065
(thousands of tons)			
Grapes.....	2,895	2,606	2,661
Plums.....	105	94	94
(barrels)			
Cranberries.....	969,700	1,049,000

CABBAGE FOR KRAUT

Production of cabbage from acreage under contract to kraut packers is now forecast at 108,200 tons, 27 percent under the 1956 production. Yields indicated for all of the important states this year on October 1 are lower than the yields estimated for 1956 on acreage grown under contract, due largely to insufficient moisture during the growing season, which is resulting in many small sized heads.

The 1957 early fall cabbage crop, from which most kraut cabbage is obtained, is forecast at 415,850 tons, down 28 percent from last year's large crop. This year's early fall production is 14 percent below average.

State	Total ¹ 1956	1956	1957 Indi- cated	Per- cent change from 1956
(tons)				
N. Y....	99,000	34,200	27,200	-20
Ohio....	21,400	21,400	16,500	-23
Ind....	11,300	11,300	9,600	-15
Wis....	78,000	39,800	25,200	-37
Other states ² ..	49,200	40,800	29,700	-27
U. S. Total.	258,900	147,500	108,200	-27

¹ Total production includes tonnage obtained from contract acreage (footnote 2) and tonnage purchased on the open market.

² Contract acreage includes acreage grown by packers on own or leased land, acreage grown under contract with growers, and equivalent acreage for contracted acreage.

³ Colo., Fla., Idaho, Ill., Iowa, Md., Mich., Minn., Mo., N. J., N. C., Ore., Pa., Tenn., Texas, Utah, Va., and Wash.

GREEN LIMA BEANS

A total of 96,740 tons of green lima beans for canning and freezing is indicated. This is 10 percent less than the record high 1956 production of 107,930 tons but 16 percent more than the 1946-55 average production of 83,740 tons.

Growing conditions for the unharvested late crop were favorable during September in New York, Ohio, Michigan, Virginia and Washington, and more than offset the slight reduction indicated for California. In California periods of hot weather which accelerated maturity cut prospective yields. Harvest of Fordhooks has been completed and baby limas were to wind up by October 10, USDA said.

State	10-year ave. 1946-55 (tons)	1956 (tons)	1957 Indi- cated (tons)	Per- cent change from 1956
N. Y.....	2,140	1,840	2,070	+13
Pa.....	2,920	2,320	1,840	-34
Ohio.....	340	270	470	+74
Mich.....	1,520	1,180	800	-32
Wis.....	4,780	6,620	5,250	-21
Del.....	14,130	17,070	12,180	-32
Md.....	2,920	3,360	1,760	-48
Va.....	2,670	2,880	1,750	-39
Wash.....	1,200	730	980	+34
Calif.....	28,680	44,260	40,280	+5
Other states ¹	22,440	26,500	23,710	-11
U. S. Total...	83,740	107,930	96,740	-10

¹ Ark., Colo., Idaho, Ill., Ind., Iowa, Kana., Minn., Mo., N. J., Okla., Ore., Tenn., and Utah.

Arthur C. Nielsen

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Oil; General Electric; General Foods, Lever Brothers and Sterling Drug.

In 1933 Nielsen created a storm in drug marketing circles with the inauguration of the now famous Nielsen Drug Index. Operating on the premise that business executives were correct only about half of the time in their prognostications of market trends, Nielsen attempted for the first time to provide a continuous flow of factual data on hundreds of items distributed through drug outlets. The Drug Index proved such a success, that a year later similar principles were extended to the grocery industry and the Nielsen Food Index was born. The Food and Drug Index today supplies marketing data on more than 3,500 items sold in grocery, drug, variety, delicatessen and general stores to an impressive number of food and drug firms in the United States.

It is in the field of radio and tele-

vision program rating that the Nielsen Company has achieved its greatest public fame. Wielding a great influence with the advertiser, Nielsen has been keeping the nation's broadcasting and telecasting boxscore since 1943, when its auspicious entry into the field was made with the introduction of the audimeter, an electronic gadget which, installed in the set, automatically recorded every twist of the dial.

By 1947, the major networks were using the Nielsen ratings, and three years later Nielsen bought out the national facilities of the once-powerful Hooper Rating.

The advent of television by this time, and its expansion into 30 million living rooms, brought Nielsen once again into controversy.

The company and its rating system were lauded and lambasted on all sides, and more often than not, the same people who applauded them on Monday, damned them on Thursday. The critics attacked it vehemently for what they termed the glorification of the mediocre. Stars, networks, producers, directors and writers—depending on which end of the Nielsen rating they happened to find themselves—hailed it as TV's strong right arm or castigated it as a self-appointed dictator of the nation's cultural tastes. It has been openly accused of eclipsing the careers of such million dollar TV wonders as Milton Berle, and Arthur Godfrey. It has at the same time been saluted for bringing such a comparatively recent comer like Phil Silvers to the attention of American audiences. To the business community the Nielsen TV Index is considered a valuable guide to the most effective allocation of the TV advertising dollar.

Consumer Service Division

Miss Katherine R. Smith, Director of the N.C.A. Consumer Service Division, attended the Newspaper Food Editors' Conference in Chicago, September 20-October 4, and had individual conferences with many food editors from various cities across the country.

While in Chicago, Miss Smith also met with the director of home economics of the Chicago public schools and with home economists with various food firms, to discuss current trends in education and supplementary commercial materials furnished to schools.

She also conferred with the food editor of an institutional magazine and with numerous other foods people in Chicago.

Poultry Used in Processing

Poultry used in canning and other processed foods during the first eight months of 1957 totaled 140,872,000 pounds, an increase of 12 percent over the 125,338,000 pounds used during the same period of 1956, according to a report by the Agriculture Marketing Service of USDA.

	Jan.-Aug. 1956	1957 (thousands of pounds)
Young chickens.....	10,491	13,906
Mature chickens.....	90,882	101,487
Turkeys.....	17,937	25,306
Other poultry.....	28	113
Total, Jan.-Aug.....	125,338	140,872

Placement Service Expanded for Professional Occupations

The Bureau of Employment Security of the U. S. Department of Labor and the state employment security agencies have initiated an expanded and specialized placement service for professional and managerial occupations which have been in short supply for several years.

The new program will be operated by the nationwide system of state and territorial employment services affiliated with the Bureau's USES.

The state employment services, which operate 1,750 local employment offices, have designated 78 local and state employment offices to serve as special employment centers to speed up the matching of men and jobs in professional and managerial occupations on a nationwide basis.

The 78 special employment network centers will operate as a professional network. If an employer's job opening for a professional worker cannot be filled by the employment service office in which it is filed, the information regarding that opening may be dispatched to the other employment service centers, in order that the chances of recruiting a qualified worker may be greatly increased.

The Labor Department said that state employment services now have 8,400 job openings for professional and managerial workers which cannot be filled from community labor supply and for which employers have authorized out-of-area or nationwide recruitment.

Study of Tuna Imports

A public hearing will be held by the U. S. Tariff Commission in connection with its current investigation of tuna imports. The hearing will begin December 11.

Text of Wage-Hour Proposal To Amend Rules on Seasonal Exemptions

Following is the text of the proposal by the Administrator of the Wage-Hour Division to amend the regulations on making determinations on the seasonal nature of an industry, as published in the *Federal Register* of October 9.

DEPARTMENT OF LABOR

Wage and Hour and Public Contracts Divisions

[29 CFR Part 526]

INDUSTRIES OF A SEASONAL NATURE

NOTICE OF PROPOSED RULE MAKING

The regulations contained in Part 526 of Title 29, Code of Federal Regulations, are applicable to determinations of industries of a seasonal nature under section 7(b)(3) of the Fair Labor Standards Act of 1938. This section of the act provides a partial exemption from the overtime provisions of the act "for a period or periods of not more than fourteen workweeks in the aggregate in any calendar year in an industry found by the Administrator to be of a seasonal nature."

The Administrator of the Wage and Hour and Public Contracts Divisions proposes to revise the regulations contained in Part 526 (29 CFR Part 526). The purpose of such revision is to make it clear (1) that the exemption does not go into effect without a prior finding by the Administrator that the specific industry is seasonal in nature, and (2) that it applies only to such operations and activities specified by the Administrator in his finding which defines or describes the seasonal industry.

Interested persons may, within 15 days from the date of the publication of this notice in the *Federal Register*, submit to the Administrator, Wage and Hour and Public Contracts Divisions, United States Department of Labor, Washington, D. C., written data, views and comments relative to the proposed revised regulations.

Accordingly, pursuant to authority under section 7(b)(3) of the Fair Labor Standards Act of 1938 (52 Stat. 1063, as amended); 29 U.S.C. 207(b)(3), Reorganization Plan No. 6 of 1950 (64 Stat. 1253; 3 CFR, 1950 Supp., p. 165), and General Order No. 45-A (15 F.R. 3290), notice is hereby given that the Administrator of the Wage and Hour and Public Contracts Divisions, United States Department of Labor, proposes to revise Part 526, Title 29, Code of Federal Regulations, as follows:

1. Amend §526.2 by adding the following paragraph:

(c) The operations and activities included within a seasonal industry

shall be limited to those specified by the Administrator in his determination.

2. Amend §526.3 to read as follows:

§526.3 *Standards for Administrator's determination that an industry is of a seasonal nature.* The exemption provided under section 7(b)(3) shall apply only to those industries which the Administrator has determined to be of a seasonal nature. The Administrator will find an industry to be of a seasonal nature if it:

(a) Engages in the handling, extracting, or processing of materials during a season or seasons occurring in a regularly, annually recurring part or parts of the year not substantially greater than six months, and ceases production, apart from work such as maintenance, repair, clerical, and sales work, in the remainder of the year because of the fact that, owing to climate or other natural conditions, the materials handled, extracted, or processed, in the form in which such materials are handled, extracted, or processed, are not available in the remainder of the year; or

(b) Engages in the handling, preparing, packing or storing of agricultural commodities in their raw or natural state, and receives for handling, preparing, packing or storing 50 percent or more of the annual volume in a period or periods amounting in the aggregate to not more than 14 workweeks.

Signed at Washington, D. C., this 2d day of October 1957.

C. T. LUNDQUIST,
Acting Administrator.

Profit-Sharing Plans

In response to an employer's inquiry, the Wage-Hour Division of the Department of Labor has announced that profit-sharing plan contributions will continue to be excluded from an employee's regular rate of pay only if they are made under a specific plan or formula.

The employer's inquiry was prompted by a 1956 release by the Internal Revenue Service which said that favorable tax treatment would be available for profit-sharing plans even though they did not contain a definite formula for determining employer contributions. Prior to this Internal Revenue release, the Treasury and the Wage-Hour Division had applied similar tests in determining whether a plan was in fact governed by a definite and fixed formula.

But Acting Wage-Hour Administrator Terrance T. Lundquist has made it clear that the Division would not go along with the Treasury Department's change in policy. He pointed out that the purposes of the two federal laws are different and that no reason existed for a change in the wage-hour regulations on profit-sharing plans.

Domestic Sugar Quotas

USDA's estimate of domestic sugar requirements for 1957 was reduced again October 8. The revised quota amounts to 9,050,000 short tons, a reduction of 150,000 tons from the figure established in August.

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